

**REPORT OF THE MEETING OF VIRTUAL WORKING GROUP
ON SUSTAINABLE FINANCES FOR ICCAT (VWG-SF)**

Pursuant to the decision taken by the Commission in 2020 the VWG-SF has continued intersessional work through an e-meeting and subsequent internal correspondence. Experts from five CPCs (Canada, European Union, Japan, Turkey and the United States), the Chair of STACFAD and the Secretariat have participated the meeting that was held on 20 April 2021. An outline of issues discussed by the members of the VWG-SF are provided in the following sections.

Item I - Review of potential solutions to achieve further progress in payment of arrears

The Chair noted that the Commission has already agreed in its previous sessions to use a special letter (*Attachment 1 to Appendix 3 to ANNEX 7 of ICCAT Report 2021*) to be sent to those Contracting Parties with arrears of contributions that equal or exceed the amount due for the two preceding years. It was pointed out that the letter signed by the Chairman of the Commission stipulates that if it is not possible for a contracting party to pay its accumulated debt in one lump sum, a payment plan must be presented to the Commission for its consideration, and that failure to submit or adherence to such payment plan could result in additional actions that have not yet identified by the Commission except for the suspension of voting rights stipulated in ICCAT Basic Texts.

Having informed the members of VWG-SF of the current situation of the accumulated debts since 2019, the Secretariat indicated that although nine special letters were sent to the respective CPCs, only one CPC had responded back but no specific payment plan was provided to the Secretariat.

Reaffirming that failure to submit the payment plan should be considered a serious matter by the Commission, some members of the VWG-SF expressed that it could be considered to introduce a binding measure like Rec.11-15 to urge submission of the required payment plans by those CPCs that did not respond to the letter of the Commission Chair.

While stressing the importance of ensuring to receive appropriate engagements from the relevant parties on how they intend to comply with their financial obligations, some members of VWG-SF noted that situations leading to the non-payment of regular contributions might not be similar for all parties and that particular challenges faced by the relevant parties would need to be assessed individually to identify the reasons of lack of payments in due date or actions to reimburse the current arrears. The VWG-SF also noted that, as an option, a sliding scale of measures might be developed to address and compensate the issue of arrears considering that not every CPC has similar situations with respect to continuation of arrears from previous years. The VWG-SF agreed to continue discussions on potential ways to achieve progress in payment of arrears.

Item II - Mechanisms to address the budgetary burden of the annual Commission meetings

(a) Proposed improvements on Guidelines for Observer Status on level of observer fees and extending coverage of meeting participation fees

The Chair recalled that although the VWG-SF previously discussed the proposal for amendment to “Draft Guidelines and Criteria for Granting Observer Status at ICCAT Meetings”, no consensus was reached on the proposed approach to extend the coverage of observer fees to the representatives from the industry who are not part of the official delegations and who shall attend the annual Commission meeting, with a view to compensating the additional meeting expenses incurred by them to partially mitigate the budgetary expenses.

In this context, the VWG-SF briefly reviewed the proposed edit to paragraph 6 of the “Guidelines for Observer Status” that reads; *“All observers, except those who are designated as part of official delegation of CPCs and notified to the Secretariat, including representatives from the industry and fishing operators that have not been confirmed by a given CPC authority to be as part of the official delegation of that CPC, will be required to pay a fee for their participation at the meetings of the Organization, which will contribute to the additional expenses generated by their participation, as determined annually by the Executive Secretary.”*

Additionally, an amendment to Rule 5 of ICCAT Rules of Procedure, proposed by the Chair in a way to address the correspondence from Panel 2 Chair regarding disclosure of meeting information (Circular # 5676 / 2020), was discussed but not finalized by the VWG-SF.

Some members of VWG-SF pointed out three fundamental points to follow: to take into account the Rules of procedure (i.e., to clearly stipulate how many Delegates and Observers could attend the meetings, etc.), describing the steps to follow, to remember the link with the Performance review and to clarify who is charged the observer's fee and how much they have to pay. It was also referred to the composition of the delegations at the meetings, which should be very clear.

The meeting also noted that it could be problematic for some CPCs to distinct NGO observers and industry observers from their delegations and that it would not agreeable to expand the scope of the observer fees instead of having other alternative mechanisms in financing the annual Meetings of the Commission.

The VWG-SF did not reach an agreement on the proposed amendments to Guidelines for Observer Status and Rule 5 of ICCAT Rules of Procedure, and no further actions were recommended during the meeting.

(b) Draft Proposal to amend Recommendation [03-20] as a way to subject Cooperating non-Members to annual contribution fees

The Chair reminded that the VWG-SF had agreed in 2020 to continue its deliberations for a consolidated proposal in light of the proposal to amend Recommendation 03-20. It was noted that the proposed draft submitted by Japan requires that the Cooperating non-Member shall make a commitment to make an annual financial contribution that is equal to [50] % of the amount that it would be assessed should it become a Contracting Party. In addition, the proposal also provides for the Cooperating non-Members to be able to distribute on a voluntary basis a portion of the contributions to existing scientific and research projects or special Meeting Participation Fund.

The meeting noted that making an explicit commitment to make financial contributions for attaining the status of Cooperating non-Member was obligatory in some RFMOs such as WCPFC and introduction of a similar model for ICCAT could be introduced by amendment of Rec. 03-20 provided that such commitment to make contribution by Cooperating non-Members would be voluntary instead of being binding and mandatory. To this end, discussion were held on a revised Japanese document that will be putted forward for consideration at STACFAD by Japan.

Item III - Other Matters

(a) Potential ways to deal with the issue regarding the workload of the Secretariat

✓ Assessment of the financial and workload implications of the proposed management measures

Under this agenda item, the following issues were brought to the agenda by the Chair to inform the members of the VWG-SF with respect to the activities undertaken by the Secretariat.

The meeting noted that, among other items, the excessive workload of the Secretariat and the need to reduce the high number of meetings affecting the logistics of the Secretariat.

The Executive Secretary provided an update on the recent progress for review and assessment of the Secretariat's workload and human resources by external consultants. He informed that the delay in initiating this work, which will be done virtually, is the situation caused by the global pandemic. He also reported that this work will be finalized and the report presented at the Commission meeting.

Issue of the extra hours of the Secretariat staff as they are accumulated because of the continuous heavy meetings' calendar; a solution is needed as staff members are losing days because it is impossible for them to take all the vacations they have

The Executive Secretary informed the VWG-SF of the fact that due to prevailing conditions caused by the global pandemic, usual working conditions of the Secretariat staff has transformed to telecommuting and owing to increasing number of online meetings scheduled, working hours spread over an extended period that is well beyond the usual working times. He indicated that the prolonged working time might require some additional administrative measures to be taken. The experience gained from the previous year has shown that, under the current conditions, some staff are accumulating more vacation days that they cannot take because of the work necessity. Hence, the accumulation is beyond what is allowed in the Staff Rules.

As the heavy meeting calendar and telecommuting seems to continue in 2021, it was asked whether there are "examples of good practice" that the members of the VWG-SF could suggest in order to manage this process in the most effective way. The VWG-SF did not express any opinions or suggestions on this matter.

(b) Information exchange and cooperation with SCRS to provide a guidance to identify financing priorities for research activities in consideration with available budget resources

With respect to prioritizing of the research activities by SCRS that require funding in 2021, members of the VWG-SF were asked for their suggestions on potential ways or mechanisms to address any situation of mismatch between the resources requested and those available. The VWG-SF did not suggest any actions on this topic during the meeting.

(c) Proposals for review and update of ICCAT Staff Regulations and Rules

The Executive Secretary informed the members of the VWG-SF about the intended review and update of ICCAT Staff Regulations and Rules in the light of current developments and the need to adapt to the present conditions like conflict resolution, guidelines for telework, paternity leave, etc. He also indicated that they would be working with a legal advisor to produce a document that involves comparative analysis of Staff Regulations and Rules of some relevant international organizations, like FAO, International Labour Office, WCPFC, World Intellectual Property Organization, etc., to learn from the provisions that are of interest to ICCAT. The proposed amendments to Staff Regulations and Rules were planned to be discussed in STACFAD this fall. The Executive Secretary also informed about the development of the ICCAT IT Security Policy, together with the Personal Data Protection Rules.